

## Chairman Dingell at the Subcommittee on Oversight and Investigations hearing entitled "Post Katrina Health Care: Continuing Concerns and Immediate Needs in the New Orleans Region"

Statement of Congressman John D. Dingell, Chairman  
Committee on Energy and Commerce

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS  
HEARING ENTITLED "POST KATRINA HEALTH CARE: CONTINUING CONCERNS AND IMMEDIATE NEEDS IN THE  
NEW ORLEANS REGION"  
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Mr. Chairman, thank you for holding this very important hearing. I also want to acknowledge the contributions and hard work on this hearing made by the Ranking Member of the Subcommittee, Mr. Whitfield, as well as that of the full Committee, Mr. Barton.

Nearly 18 months after Hurricane Katrina, major problems remain on how to care for the region's many residents who are trying to rebuild their lives or return to their homes. I fear that we are on the verge of turning the Nation's largest natural disaster into the Nation's largest man-made disaster.

Private hospitals are bleeding red ink. There is still no agreement on how to or even if to rebuild "Big Charity," the region's primary public hospital. The Department of Veterans Affairs has proposed to collaborate with that effort, but now there is disagreement on what role they should play, where the new VA hospital should be located, or even if they should remain a partner in the deal with Charity.

If one draws a line through the center of the city, it would reveal that no functioning hospital exists east of that line. Chalmette, East New Orleans, St. Bernard Parish: all remain without a medical facility. Residents there rely on a few small overworked and overwhelmed clinics for their healthcare needs. Private and public clinics throughout the entire region are providing safety-net services, but it remains unclear how long these operations will receive funding, as they now rely on a stream of donations and small grants. There is no formal plan to consistently pay them for these services.

Many nursing homes remain closed. There is an acute shortage of nurses for the entire area. There are virtually no beds in the region for those needing detox treatment. Caring for the mentally ill remains exceptionally challenging as many psychiatrists and other mental health specialists have left the region, and there are few beds at best to house such patients.

Those doctors who are trying to remain in this region often encounter difficulty in obtaining reimbursements for services to either patients or hospitals. Many have already left and others may soon be forced to do likewise because they cannot financially remain there.

Finally, the excellent teaching schools of both Tulane and Louisiana State University are in jeopardy of losing their medical programs accreditation. The two major hospitals where most of the teaching occurred were destroyed, and their rebuilding fate remains mired in controversy and confusion. If these teaching programs disappear, then so too will many

of the State's future healthcare providers, many who graduate from these programs.

The situation is bleak. It is, therefore, to the third panel -- the Government panel -- that I will direct the rest of my statement.

Without a doubt, you have all put significant energy into trying to solve these problems. Your efforts are appreciated, especially for the untold hours that you have dedicated to this cause. Nonetheless, things are not working.

Let me provide an example: Secretary Leavitt asked the State of Louisiana to provide a plan on how to rebuild the region's healthcare infrastructure. Though much disagreement was encountered and difficult decisions were presented, the State and its various stakeholders -- public and private -- held up their side of the bargain and produced a plan. That plan, known as the "Collaborative," was transmitted by the Governor of Louisiana to Secretary Leavitt on October 20, 2006. The State's plan called for a series of pilot projects for Region 1, where the devastated parishes are located in and around New Orleans.

What Secretary Leavitt sent back is not even a formal plan. It is a loose confederation of spreadsheets and bullet points that ask the State to disassemble its Statewide public hospital system and replace it with some form of insurance program. There are almost no specifics to this plan, at least none available to the public. There is not even a formal publication from the Secretary to the Louisiana Governor that this Committee could review, despite our requests to obtain such a document. The State of Louisiana now counters that the HHS proposal will not work.

I bring this up not to point fingers, but to suggest that we are now facing deadlock between two very important players needed to solve these problems. If not fixed quickly, the next six months will be spent on dueling spreadsheets. Simply put, the plan proposed by Secretary Leavitt -- regardless of your opinion of the State system -- is simply too large a task to undertake at this time. Even if adopted, it will not address the immediate problems faced by patients and practitioners in this region.

I therefore call on the Secretary of Health and Human Services and the Louisiana Secretary of Health and Hospitals to immediately convene a series of meetings to re-energize the next steps on how to move forward. Both are at an impasse, and a serious one at that. If not corrected, you jeopardize not only progress that has been made on the ground, but also the future of the region.

I would note that this committee will be having further hearings to bring the secretary and others before us to explain what they are doing and whether progress has been made as a result of this hearing here today. I believe this Committee can and should work with -- and hold accountable, if necessary -- those public entities that are responsible for providing leadership in this important area.

- 30 -

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